

U. S. Department of  
Homeland Security

United States  
Coast Guard



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**DEPARTMENT OF HOMELAND SECURITY**

**U. S. COAST GUARD**

**STATEMENT OF**

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**ON THE**

**FISCAL YEAR 2007 PRESIDENT'S BUDGET: COAST GUARD  
PROGRAMS IMPACTING MARITIME BORDER SECURITY**

**BEFORE THE**

**COMMITTEE ON HOMELAND SECURITY**

**SUBCOMMITTEE ON ECONOMIC SECURITY,  
INFRASTRUCTURE PROTECTION AND CYBERSECURITY**

**U. S. HOUSE OF REPRESENTATIVES**

**FEBRUARY 15, 2006**

## Introduction

Good afternoon Mr. Chairman and distinguished members of the committee. It is a pleasure to be here today to discuss the Coast Guard's FY 2007 budget request.

The Coast Guard is one of the Nation's five Armed Services. Its mission is to protect the public, the environment and U.S. economic interests – in the Nation's ports and waterways, along the coast, on international waters and in any maritime region required to support national security. The Coast Guard is the lead Federal agency for maritime homeland security; a role supported by its unique complement of authorities, maritime capabilities, proven competencies, and longstanding domestic and international partnerships. Executing this role requires a Coast Guard that is ready to act, enabled by awareness, as well as equipped to sustain an effective presence and mount an effective response to maritime threats.

Coast Guard forces are flexible, rapidly employable and able to respond to crises with a full range of capabilities. It is a military, multimission and maritime service that has adapted to growing mission demands to enhance maritime security while continuing to meet other mission requirements. For example, in 2005, the Coast Guard:

- *Secured the maritime border:*
  - Completed verification of security plans, required by the Maritime Transportation Security Act (MTSA), for U. S. port and facilities and vessels operating in U. S. waters;
  - Completed 31 foreign port security assessments in order to improve our awareness of foreign port compliance with international requirements;
  - Prevented more than 338,000 pounds of cocaine (an all-time maritime record) and over 10,000 pounds marijuana from reaching the United States;
  - Interdicted nearly 9,500 undocumented migrants attempting to enter the country illegally by sea, the second highest number of any average year in the past 20 years;
- *Enhanced national maritime preparedness:*
  - Began comprehensive security reviews of waterside nuclear power plants;
  - Created formal processes for addressing security concerns and requirements involving the siting of new shore-side Liquefied Natural Gas facilities;
  - Established a new Area Maritime Security Exercise program requiring annual local exercises, and is designed to assess the effectiveness of the Area Maritime Security Plans and the port community's preparedness to respond to security threats and incidents. Funding appropriated for FY 2006 will bolster this effort significantly.
- *Strengthened partnerships:*
  - Established a National Maritime Security Advisory Committee in order to provide a strategic public-private forum on critical maritime security topics;
  - Launched *America's Waterways Watch*, a citizen involvement program that leverages the Coast Guard's relationship with the maritime public;

- Deployed the *Homeport* information sharing web portal, which allows for collaboration and communication in a controlled security environment (for sensitive but unclassified material) among Area Maritime Security Committee members and port stakeholders at large;
  - Conducted more than 268,000 port security patrols, 5,800 air patrols and 26,000 security boardings; and
  - Provided security escorts to over 10,000 vessels.
- *Saved lives and property:*
    - Saved over 33,000 lives in the wake of Hurricanes Katrina and Rita, one of the largest search and rescue operations in United States history;
    - In addition to hurricane response, responded to more than 32,000 calls for maritime rescue assistance;
    - Saved the lives of over 5,600 mariners in distress;
- *Protected the environment:*
    - Boarded more than 6,000 fishing vessels to enforce safety and fisheries management regulations, a 30 percent increase over 2004;
    - Conducted more than 3,000 inspections aboard mobile offshore drilling units, outer continental shelf facilities and offshore supply vessels;
    - Responded to 23,904 reports of water pollution or hazardous material releases from the National Response Center, resulting in 4,015 response cases;
- *Facilitated maritime commerce:*
    - Kept shipping channels and harbors open to navigation during the Great Lakes and New England winter shipping season;
    - Ensured more than 1 million safe passages of commercial vessels through congested harbors, with Vessel Traffic Services;
    - Maintained more than 50,000 federal aids to navigation along 25,000 miles navigation channels;
- *Supported national defense*
    - Safely escorted more than 169 military sealift movements at 13 different major U.S. seaports, carrying more than 20 million square feet of cargo;
    - Maintained an active patrol presence in the Arabian Gulf in support of the U.S. Navy and allied naval units.

More than singular statistics or accomplishments, the above list, in total, demonstrates the winning formula of a military, multimission service founded on core operational principles such as flexibility, on-scene initiative and unity of effort. It is this time-tested operational model that allows the Coast Guard to meld its safety and security roles into a seamless set of maritime strategies designed to guarantee the safety and security of the U.S. maritime domain.

The FY 2007 budget request supports critical initiatives needed to preserve the Coast Guard's ability to respond to current mission demands, while enhancing capabilities to counter emerging threats and strengthen its preparedness across a broad range of missions.

## 2007 Budget

The above accomplishments are only possible with a Coast Guard that is Ready, Aware and Responsive. The President, Congress and public expect nothing less: **Ready** to prevent and respond to a broad range of maritime safety and security requirements; **Aware** of what is going on in our ports, along our coasts and on the high seas; and most of all, **Responsive** whenever and wherever there is a need for the Coast Guard to save lives, secure maritime borders, protect natural resources, facilitate maritime commerce or contribute to national defense. The fiscal year 2007 request delivers on these expectations through its focus on three key investment priorities:

- Strengthen Preparedness [READY],
- Maximize Awareness [AWARE], and
- Enhance Capability [RESPONSIVE]

The Integrated Deepwater System (IDS) acquisition program remains the centerpiece of a more ready, aware and responsive 21<sup>st</sup>-century Coast Guard. The 2007 Budget provides a Deepwater investment plan that provides funding for:

- Constructing the fourth National Security Cutter;
- Producing the first Fast Response Cutter;
- Acquiring the sixth Maritime Patrol Aircraft;
- Bolstering the network of command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) technology;
- Completing the HH-65 re-engining; and
- Initiating several essential legacy conversion projects, including installation of airborne use of force equipment aboard 36 helicopters.

While the Deepwater program necessarily invests in capabilities adequate to operate in the often unforgiving offshore environment, it is these same capabilities that are instrumental to effective response operations in port and coastal areas as well. For example, assets scheduled for modernization under the Deepwater program include every Coast Guard aircraft type. These aircraft, rotary-wing in particular, are critical parts of our port and coastal response infrastructure as well as extended offshore operations. The Deepwater program's conversion and/or enhancement of legacy aircraft and cutters are making an impact *now*. The operational benefits were apparent during the Coast Guard's response to Hurricane Katrina. As an example, three more powerful re-engined HH-65C helicopters flew 85 sorties to save 305 lives. The converted aircraft can hoist 280 more pounds and stay on-scene longer than its predecessor. Similarly, the C4ISR improvements to high and medium endurance cutters enabled more effective on-scene coordination of rescue operations in New Orleans, LA, and Gulfport, MS, with local first responders and other Federal agencies.

*Strengthen Preparedness.* Coast Guard readiness is a cornerstone of national maritime preparedness. Strengthening preparedness within the U.S. maritime domain is a core competency and responsibility of the Coast Guard. It depends directly on the readiness of Coast Guard cutters and aircraft, infrastructure and personnel. The FY 2007 requests funding to preserve and strengthen Coast Guard readiness. Relevant budget initiatives include:

- Depot level maintenance and energy account: **\$51.3 million** to close inflationary cost growth gaps. These are bills that must be paid; without increased funding, Coast Guard readiness will be eroded.
- Medium endurance cutter mission effectiveness project: **\$37.8 million** to support the Mission Effectiveness Project (MEP) for 270-foot and 210-foot Medium Endurance Cutters (WMEC). Our 210-foot and 270-foot cutters are currently operating with obsolete equipment and subsystems that must be replaced. The project includes replacing major sub-systems such as small boat davits, oily water separators, air conditioning and refrigeration plants, and evaporators. The main propulsion control and monitoring systems will also be upgraded. This effort is vital to sustain our legacy fleet of medium endurance cutters until they are recapitalized.
- Operations and Maintenance for new assets: **\$30.5 million** to fund operations and personnel for the airborne use of force program, the first national security cutter, new maritime patrol aircraft and secure communications systems; **\$42.3 million** for Deepwater logistics support.
- Personnel protective equipment: **\$7.2 million** to replace obsolete oxygen breathing apparatus aboard ships and training centers with safer self-contained breathing apparatus (SCBA). Over the past 30 years, all shore-based Federal and DOD fire fighters, the Military Sealift Command, all western navies, all merchant ships, the U.S. Air Force and all U. S. Navy flight deck personnel have adopted and use exclusively the open circuit SCBA. The Navy is currently replacing all their OBAs with SCBAs. This leaves the Coast Guard as the only fire fighting organization without SCBA for its personnel. In order to ensure the personal protection of Coast Guard personnel while serving aboard Coast Guard cutters, the transition from using the obsolete OBA to the SCBA is essential.
- Shore infrastructure and aids-to-navigation: **\$25.9 million** to recapitalize aids-to-navigation nationwide and rebuild or improve aged shore facilities in Cordova, Alaska (housing), Integrated Support Command Seattle and Base Galveston. Facing a \$1.4 billion shore maintenance backlog, funds are necessary to improve critical shore infrastructure essential to supporting Coast Guard personnel as they execute missions and operational requirements.

*Maximize Awareness.* Securing our vast maritime borders depends upon our ability to enhance maritime domain awareness (MDA). Effectively addressing maritime vulnerabilities requires maritime strategies that not only “harden” targets but detect and defeat threats as far from U.S. shores as possible. Identifying threats as far from U.S. shores as possible requires improved awareness of the people, vessels and cargo approaching and moving throughout U.S. ports, coasts and inland waterways. Relevant budget initiatives include:

- Nationwide Automatic Identification System: **\$11.2 million** to continue procurement plans and analysis for deployment of a nationwide system to identify, track and exchange information with vessels in the maritime domain.
- Maritime Domain Awareness: **\$17 million** to support follow-on and new initiatives, including a new Coast Guard counterintelligence program, prototype Sector and Joint Harbor Operation Center support, and expanded secure communications system infrastructure.

- Deepwater C4ISR: **\$60.8 million** to develop and install systems and subsystems that are part of the Deepwater Command, Control, Communications, Computer, Intelligence, Surveillance and Reconnaissance (C4ISR) system. This system is designed to support designated Coast Guard commanders in the exercise of authority while directing all assigned forces and first responders across the full range of Coast Guard operations. This system of “eyes and ears” allows us to see, hear and communicate activity occurring within the maritime domain, which is critical to deterring and defeating threats before reaching our shores.

*Enhance Capability.* Just as important to being ready and aware is equipping and training Coast Guard personnel with the *capabilities* and competencies to respond effectively. For example, the advance information required of vessels arriving to the United States is critical to understanding who and what is arriving in order to identify potential threats. However, if Coast Guard cutters and aircraft do not have the capabilities necessary to deal with identified threats early and effectively, an opportunity to mitigate risk is lost. Relevant budget initiatives include:

- Deepwater: **\$934.4 million** (total). The FY 2007 request for the Deepwater program reflects the Administration’s continued commitment to the recapitalization of the Coast Guard’s aircraft and ships and the network that links them together into an integrated system. More capable and reliable cutters, boats, aircraft and associated systems will enhance safety and security in U. S. ports by improving the Coast Guard’s ability to perform all its missions. Specifically, the FY 2007 request provides funding for: the fourth National Security Cutter, the first Fast Response Cutter, HH-65 and HH-60J conversions, new maritime patrol aircraft, HC-130J operations, sustaining the HC-130H, arming two HH-60’s and 34 HH-65’s at seven Air Stations, and development of shipboard and land-based vertical unmanned aerial vehicle systems.
- Rescue 21: **\$39.6 million** to continue system design (two locations), preparation (four locations) and installation (seven locations). The Rescue-21 project represents a quantum leap in maritime communications technology, enhancing effectiveness across all coastal missions.
- National Capital Region air defense: **\$62.4 million** to establish infrastructure, acquire additional aircraft and fund operations for this newly assigned homeland security mission in the Nation’s capital. The Air Defense mission in the National Capital Region rests with the Department of Defense (DOD) under the construct of OPERATION NOBLE EAGLE. Through a Memorandum of Understanding, DOD has assigned this requirement to the Department of Homeland Security (DHS). The Coast Guard has been directed to execute this requirement on behalf of DHS. Requested funding is critical to stand-up this new capability and avoid negative impacts to other Coast Guard mission-programs.
- Response Boat – Medium: **\$24.8 million** to begin low-rate initial production to replace 41-foot utility boats and non-standard boats.
- Maritime Security Response Team (MSRT): **\$4.7 million** to provide additional personnel and transform the prototype Enhanced Maritime Safety and Security Team in Chesapeake, Va. into an MSRT, providing on-call maritime counter-terrorism response capacity. This request will also enhance maritime counter-terrorism training facilities at the Coast Guard Special Missions Training Center at Camp Lejeune, N.C.

## **Conclusion**

During the response to Hurricane Katrina, the Nation saw the value of a ready, aware and responsive Coast Guard. Rescuing more than 33,000 people in a two-week period, Coast Guard men and women from around the Nation contributed to this historic operation. Of course, that was only the most visible Coast Guard achievement in 2005. From record-breaking drug interdictions to continued implementation of the Maritime Transportation Security Act, the Coast Guard again delivered tremendous results for the American people. Full support of the 2007 budget request is vital to ensuring we sustain these results.

No one can predict the timing of the next catastrophic event akin to Katrina, or whether it will be natural or man-made. Nonetheless, history tells us it will come. When it does, it will be vital that we have done all we can to build a Coast Guard that is prepared to answer the call, supremely aware of the maritime environment and poised for dependable response. The Nation saw in 2005 what I have known for decades – if we give Coast Guard men and women the training and equipment to do the job, they won't let us down.

Thank you for the opportunity to testify before you today. I will be happy to answer any questions you may have.